

GAMING AND LOTTERIES AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Gaming and Lotteries Act 1977 to establish a New Zealand Lotteries Commission and to provide for the introduction and control of "Lotto".

Clause 1 relates to the Short Title and commencement. The date of commencement is to be 1 June 1987.

Clause 2 amends the interpretation provision in section 2 of the principal Act consequential upon the changes made in the new *Part VII* (as inserted by *clause 3*).

Clause 3: Subclause (1) inserts a new *Part VII* in the principal Act dealing with New Zealand lotteries (including lotto).

Unless otherwise stated the new sections are substantially the same as in the present Act, apart from minor drafting amendments.

Section 71 is the interpretation section for *Part VII*. The definition of the terms "New Zealand lottery" and "New Zealand prize competition" have been transferred from section 2 of the principal Act and a new definition of the term "Commission" inserted. The definition of the term "New Zealand lottery" now includes a reference to "lotto". The definition of the term "charitable purpose" has been amended to include "every other purpose that is beneficial to any significant section of the community", instead of "every other purpose that is beneficial to any section of the community".

Sections 72 to 82 are new and set up the New Zealand Lotteries Commission.

Section 72 establishes the Commission as a body corporate.

Section 73 provides that the membership of the Commission is to be—

- (a) Four members appointed by the Minister, having regard to the appointees' knowledge, skill, or experience relating to the functions and powers of the Commission:
- (b) The Secretary for Internal Affairs.

Section 74 provides that the period of office for appointed members is to be a term not exceeding 3 years.

Section 75 provides for the appointment by the Minister of alternate members of the Commission.

Section 76 deals with extraordinary vacancies.

Section 77 empowers the Secretary for Internal Affairs to authorise a deputy to attend meetings of the Commission in his or her place.

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Section 78 provides for the meetings of the Commission.

Section 79 deals with the appointment of committees.

Section 80 provides for the payment of remuneration and travelling allowances and expenses to members of the Commission or any of its committees.

Section 81 provides for the disclosure of interest by members of the Commission or any of its committees.

Section 82 provides that members of the Commission or any of its committees are not personally liable for acts done in good faith.

Sections 83 to 93 are new and deal with the functions and powers of the Commission. *Sections 83, 84, and 85* in effect transfer functions performed by the Minister to the Commission.

Section 83 provides that the functions of the Commission are—

(a) To promote, organise, and conduct New Zealand lotteries:

(b) To make rules regulating the conduct and operation of New Zealand lotteries:

(c) To advise the Minister on matters relating to New Zealand lotteries.

Section 84 authorises the Commission to promote New Zealand prize competitions.

Section 85 provides for the Minister to instruct the Commission to promote a New Zealand lottery for any charitable purpose that the Minister thinks fit.

Section 86 gives the Commission all such powers as are necessary or expedient to enable it to carry out its functions and duties.

Section 87 provides for the Commission to have regard to the general policy of the Government in relation to New Zealand lotteries and to comply with any written direction given to it by the Minister in relation to that policy.

A copy of any such direction is to be published in the *Gazette* and to be laid before the House of Representatives.

Section 88 authorises any body corporate to enter into any arrangement, agreement, or contract with the Commission to assist in the promotion, organisation, or conduct of New Zealand lotteries.

Section 89 provides for any person or body engaged to assist the Commission in the promotion, organisation, or conduct of New Zealand lotteries to submit accounts in relation to each lottery to the Audit Office.

Section 90 empowers the Commission to make rules, to be approved by the Minister, for the conduct and operation of New Zealand lotteries.

Section 91 authorises the Commission to delegate most of its functions or powers to any committee, member, or officer of the Commission.

Section 92 empowers the Commission to make procedural rules.

Section 93 authorises the Commission to employ such employees as are necessary or to engage persons with special knowledge or training under contract.

The terms of employment of the employees are to be determined by the Commission after consultation with the State Services Commission. The employees shall be deemed not to be employed by the Crown for the purposes of the State Services Act 1962 or of the Government Superannuation Fund Act 1956.

Sections 94 to 105 relate to the conduct of New Zealand lotteries.

Section 94 is new and provides for the payment of the proceeds of New Zealand lotteries to the Commission.

Section 95 deals with the method of drawing New Zealand lotteries.

Section 96 deals with the scrutiny of drawings.

Section 97 provides for drawings to be in public.

Section 98 deals with the official result of the drawings and the notification of results.

Section 99 is new and provides for the Commission to deposit the profits of the lotteries in an account opened under *section 116U*.

Section 100 provides for the Commission to forward particulars of any lottery drawn and its accounts to the Secretary for Internal Affairs on request.

Section 101 is new and provides for all prize money to be paid into a special bank account.

Section 102 provides that the Commission shall pay the prizes to the persons entitled.

Section 103 provides for claims to lottery prizes.

Section 104 is new and provides that no interest is payable on prizes, unless payment is unreasonably withheld.

Section 105 deals with unclaimed prizes.

Sections 106 to 116 are new and deal with financial provisions relating to the Commission.

Section 106 deals with the funds of the Commission.

Section 107 provides for the establishment and handling of bank accounts.

Section 108 provides for the Commission to submit to the Minister, before 1 March in any financial year, the estimates of income and expenditure for the next financial year.

Section 109 deals with borrowing powers.

Section 110 provides for the circumstances in which loans may be made by the Commission.

Section 111 deals with the investment of funds.

Section 112 exempts the Commission from income tax and land tax.

Section 113 provides that the financial year shall be from 1 April in any year to 31 March in the next year.

Section 114 deals with accounts and audit.

Section 115 provides for the Commission to deliver to the Minister a copy of its annual report and its audited accounts, and a copy is to be laid before the House of Representatives.

Section 116 provides for the protection of the name of the Commission.

Sections 116A to 116G deal with the continuation of the New Zealand Lottery Board and are basically unchanged from the present provisions.

Sections 116H to 116J deal with the distribution of profits and are unchanged from the present provisions except that *section 116J* adds the New Zealand Recreation and Sport Commission to the statutory bodies to which the New Zealand Lottery Board may allocate lottery profits.

Sections 116K to 116T deal with the functions, powers, and duties of Distribution Committees and, apart from *section 116T*, which is new, are basically unchanged from the present provisions.

Section 116T provides that the Secretary for Internal Affairs, when acting on behalf of a Distribution Committee, is deemed to be a corporation sole.

Sections 116U to 116ZC deal with the financial and administrative provisions relating to the New Zealand Lottery Board and Distribution Committees and are basically unchanged from the present provisions.

Section 116ZD deals with offences.

Subclause (2) provides for consequential repeals.

Clause 4 provides for the transfer of property acquired for the drawing of New Zealand lotteries to be transferred to the Commission.

Clause 5 applies the new *Part VII* of the principal Act to profits of former lotteries.

Clause 6 is a transitional provision to deal with any organiser appointed under the present *Part VII*.

Clause 7 provides for the members of the New Zealand Lottery Board and Distribution Committees appointed under the present *Part VII* to continue in office until their terms of office expire.

Clause 8 amends section 137 of the principal Act consequential upon the new *Part VII*.

Clause 9 makes amendments to the Gaming Duties Act 1971 consequential upon the new *Part VII* and, as a consequence, makes lotto liable for lottery duty.

Clause 10 makes amendments to the Goods and Services Tax Act 1985 consequential upon the new definitions in the new *Part VII*.

Clause 11 adds the New Zealand Lotteries Commission to the First Schedule to the Ombudsmen Act 1975, and thus brings the Commission under that Act and the Official Information Act 1982.

Hon. Peter Tapsell

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A BILL INTITULED

An Act to establish a New Zealand Lotteries Commission and to amend the Gaming and Lotteries Act 1977

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows: 5

1. Short Title and commencement—(1) This Act may be cited as the Gaming and Lotteries Amendment Act 1986, and shall be read together with and deemed part of the Gaming and Lotteries Act 1977* (hereinafter referred to as the principal Act). 10

(2) This Act shall come into force on the 1st day of June 1987.

2. Interpretation—(1) Section 2 (1) of the principal Act is hereby amended by repealing the definition of the term “draw”, and substituting the following definition: 15

“‘Draw’, in relation to a lottery or lotto, means determine by lot or on a random basis or wholly by chance those participants entitled to a prize:”.

*1977, No. 84

Amendments: 1979, No. 80; 1980, No. 112; 1981, No. 70; 1982, No. 73; 1983, No. 75

(2) Section 2 (1) of the principal Act is hereby further amended by repealing the definition of the term “lottery”, and substituting the following definitions:

5 “ ‘Lottery’ means a scheme or device in respect of which direct or indirect consideration is paid to participate and by which prizes of money or money’s worth are distributed according to a draw; and includes lotto, a raffle, a sweepstake, and every other similar scheme or device; but does not include any such scheme or
10 device to which **Part VII** of this Act applies:

“ ‘Lotto’ means any form of game in which the participants attempt to select the group of numbers to be drawn from a larger group of numbers:”.

(3) Section 2 (1) of the principal Act is hereby further
15 amended by repealing the definitions of the terms “New Zealand lottery” and “New Zealand prize competition”.

(4) Section 2 (1) of the principal Act is hereby further amended by omitting from the definition of the term “prize
20 competition”, the words “but does not include a New Zealand prize competition”, and substituting the words “but does not include any such scheme or competition to which **Part VII** of this Act applies”.

3. New Part VII of principal Act—(1) The principal Act is hereby amended by repealing Part VII, and substituting the
25 following Part:

“PART VII

“NEW ZEALAND LOTTERIES

“71. **Interpretation**—In this Part of this Act, unless the context otherwise requires,—

30 “ ‘Board’ means the New Zealand Lottery Board established under **section 116A** of this Act:

“ ‘Charitable purpose’ means any charitable, philanthropic, or cultural purpose; and includes every other purpose that is beneficial to the
35 community or any significant section of the community:

“ ‘Commission’ means the New Zealand Lotteries Commission established under **section 72** of this Act:

40 “ ‘New Zealand lottery’ means a scheme or device, promoted under this Part of this Act, in respect of which direct or indirect consideration is paid to participate and by which prizes of money or money’s

worth are distributed according to a draw; and includes lotto, a raffle, a sweepstake, and every other similar scheme or device so promoted:

“‘New Zealand prize competition’ means a scheme or competition, promoted under this Part of this Act, in respect of which direct or indirect consideration is paid to participate, and of which the result is determined partly by a considerable element of chance (whether chance plays the greater or lesser part), and partly by the performance by the contestants of some activity of a kind that may be performed more readily by contestants possessing or exercising some knowledge or skill, whether or not it may also be performed successfully by chance.

“New Zealand Lotteries Commission

“72. New Zealand Lotteries Commission established—
(1) There is hereby established a Commission to be called the New Zealand Lotteries Commission.

“(2) The Commission shall be a body corporate with perpetual succession and a common seal.

“(3) The Commission shall be capable of suing and being sued, and, in the exercise of its functions and powers under this Act, it may acquire, hold, and dispose of real and personal property and do and suffer all such acts and things as bodies corporate may do and suffer.

“(4) The common seal of the Commission shall be judicially noticed in all Courts and for all purposes.

“73. Membership of Commission—(1) The Commission shall consist of—

“(a) Four persons, to be appointed by the Minister, having regard to the appointees’ knowledge, skill, or experience relating to the functions and powers of the Commission:

“(b) The Secretary for Internal Affairs.

“(2) The Minister shall from time to time appoint one of the members appointed under **subsection (1) (a)** of this section to be the presiding member of the Commission.

“(3) The powers of the Commission shall not be affected by any vacancy in its membership, or by any deficiency in the appointment of any member.

“74. Term of office—(1) Every member of the Commission appointed under **section 73 (1) (a)** of this Act shall be appointed

for a term not exceeding 3 years, as the Minister may specify in that member's instrument of appointment, and may from time to time be reappointed.

“(2) Unless any such member sooner vacates office under 5 **section 76** of this Act, he or she shall continue in office until that member's successor is appointed, notwithstanding that the term for which the member was appointed may have expired.

“**75. Alternate members of Commission**—(1) The Minister may from time to time, on the basis of the matters 10 specified in **section 73 (1) (a)** of this Act, appoint as alternate members of the Commission persons who may act as the alternate of an appointed member of the Commission in accordance with this section.

“(2) Every alternate member of the Commission shall hold 15 office for such term as the Minister shall specify in his or her appointment, being a term not exceeding 3 years; and may from time to time be reappointed.

“(3) If the presiding member of the Commission is satisfied that any other appointed member of the Commission is 20 incapacitated by illness, absence from New Zealand, or sufficient cause from performing the duties of office, the presiding member may designate an alternate member to act in the place of the appointed member during his or her incapacity.

“(4) In any case where the Minister is satisfied that the 25 presiding member of the Commission is incapacitated by illness, absence from New Zealand, or other sufficient cause from performing the duties of office, the Minister may nominate a member or alternate member of the Commission 30 to act as the alternate of the presiding member during his or her incapacity.

“(5) Any alternate member—

“(a) Designated under **subsection (3)** of this section; or

“(b) Appointed under **subsection (4)** of this section,—

35 shall be deemed to be a member of the Commission for the purposes of the performance or exercise of any function, duty, or power of a member of the Commission under this Part of this Act; and, except where this section or the context otherwise requires, a reference in this Part of this Act to a 40 member shall be construed as including a reference to an alternate member.

“(6) No designation or appointment of an alternate member and no act done by him or her as such, and no act done by the Commission while any alternate member is acting in the place

of an appointed member, shall in any proceedings be questioned on the ground that the occasion for his or her designation or appointment had not arisen or had ceased.

“76. **Extraordinary vacancies**—(1) Any appointed member of the Commission may at any time be removed from office by the Minister for disability, bankruptcy, neglect of duty, or misconduct, or failure to comply with **section 81** of this Act, proved to the satisfaction of the Minister. 5

“(2) Any such member may resign office by notice in writing to the Minister. 10

“(3) When the office of any appointed member of the Commission becomes vacant by death, resignation, or removal from office, the vacancy so created shall, as soon as practicable, be filled in the manner in which the appointment to the vacant office was originally made. 15

“(4) Every person so appointed shall hold office for the residue of the term for which that person’s predecessor would have held office if the vacancy had not occurred.

“77. **Secretary may authorise deputy to attend meetings**—(1) In any case where the Secretary is unable to attend any meeting of the Commission, the Secretary may authorise any officer of the Department to attend the meeting in his or her place. 20

“(2) Any officer authorised under **subsection (1)** of this section shall be deemed for all purposes to be a member of the Commission while attending any meeting of the Commission. 25

“(3) No authorisation of any such officer under this section and no acts done by that officer and no act done by the Commission while that officer is acting in the place of the Secretary, shall in any proceedings be questioned on the ground that the occasion of the officer’s authorisation had not arisen or had ceased. 30

“78. **Meetings of Commission**—(1) Subject to this section, the presiding member of the Commission appointed under **section 73 (2)** of this Act shall convene such meetings of the Commission as the presiding member thinks necessary to perform or exercise the functions and powers of the Commission under this Act. 35

“(2) The first meeting of the Commission shall be held at a time and place to be appointed by the Minister. 40

“(3) Subsequent meetings of the Commission shall be held at such times and places as the Commission or presiding member determines.

“(4) A special meeting of the Commission may at any time be convened by the presiding member, and the presiding member shall call a special meeting whenever requested to do so in writing by not less than 2 members of the Commission.

5 “(5) Not less than 7 clear days’ notice in writing of each meeting, and of the business to be transacted at the meeting, shall be given to each member for the time being present in New Zealand.

“(6) At any meeting of the Commission the quorum shall be
10 3 members.

“(7) The presiding member shall preside at each meeting of the Commission at which that person is present.

“(8) Subject to **section 75 (4)** of this Act, in the absence of the presiding member from any meeting, the members present
15 shall elect one of their number to preside at that meeting.

“(9) Every question arising at any meeting of the Commission shall be determined by a majority of votes of the members present and voting on it.

“(10) On each question before a meeting, the member who
20 is presiding shall have a deliberative vote, and, in the case of an equality of votes, he or she shall also have a casting vote.

“(11) A resolution that is signed, or assented to in writing by letter or telegram or telex message, or other method of communication, by every member who is for the time being in
25 New Zealand (not in any event being less than the number required for a quorum at a meeting) shall have the same effect as a resolution passed at a meeting of the Commission.

“(12) Subject to this Part of this Act and to the rules of the Commission made under **section 92** of this Act, the Commission
30 may regulate its procedure in such manner as it thinks fit.

“**79. Committees**—(1) The Commission may from time to time appoint, alter, discharge, and reconstitute committees, consisting of such number of persons as it thinks fit, to perform and exercise such of the Commission’s functions and
35 powers as may be delegated to them under **section 91** of this Act, and to advise the Commission on such matters relating to those functions and powers as are referred to them by the Commission.

“(2) A person may be appointed to be a member of any
40 committee under this section whether or not the person is a member of the Commission.

“(3) Subject to this Act, to the rules of the Commission made under **section 92** of this Act, and to any directions given by the

Commission, every such committee may regulate its own procedure.

“80. Remuneration of members of Commission and committees—(1) There may, if the Minister so directs, be paid out of the funds of the Commission to— 5

“(a) Any member of the Commission; and

“(b) Any member of a committee of the Commission— such remuneration by way of fees, salary, or allowances as may from time to time be approved by the Minister.

“(2) The Commission and each committee of the Commission are hereby declared to be statutory Boards within the meaning of the Fees and Travelling Allowances Act 1951. 10

“(3) There shall be paid out of the funds of the Commission, to any such member, travelling allowances or expenses in accordance with the Fees and Travelling Allowances Act 1951, 15 and the provisions of that Act shall apply accordingly.

“81. Disclosure of interests—(1) Any member of the Commission or any committee of the Commission who, otherwise than as such member,—

“(a) Is directly or indirectly interested in the performance or exercise of any power or function by the Commission or committee; or 20

“(b) Is directly or indirectly interested in any arrangement, agreement, or contract made or entered into, or proposed to be made or entered into, by the Commission or committee— 25

shall, as soon as possible after the relevant facts have come to that member’s knowledge, disclose the nature of the interest at a meeting of the Commission or committee, as the case may be. 30

“(2) A disclosure under this section shall be recorded in the minutes of the Commission or committee and, except as otherwise provided by resolution of the Commission or committee, the member—

“(a) Shall not take part after the disclosure, in any deliberation or decision of the Commission or committee— 35

“(i) Relating to the performance and exercise of the power or function by the Commission or the committee; or 40

“(ii) Relating to the arrangement, agreement, or contract; and

“(b) Shall be disregarded for the purpose of forming a quorum of the Commission or committee for any deliberation or decision.

5 “82. **Members not personally liable**—No member of the Commission or of any committee of the Commission shall be personally liable for any act done or default made by the Commission in good faith in the course of its operations.

“Functions and Powers of Commission

“83. **Functions**—The functions of the Commission shall be:

10 “(a) To promote, organise, and conduct New Zealand lotteries:

“(b) To make rules regulating the conduct and operation of New Zealand lotteries in accordance with **section 90** of this Act:

15 “(c) To advise the Minister on matters relating to New Zealand lotteries.

“84. **Commission may promote prize competitions**—

(1) The Commission may from time to time promote New Zealand prize competitions, to be known by such names and to
20 be conducted for such charitable purposes as it thinks fit.

“(2) The provisions of this Part of this Act, so far as they are applicable and with the necessary modifications, shall apply to every New Zealand prize competition as if it were a New Zealand lottery.

25 “85. **Special purpose lotteries**—The Minister may from time to time instruct the Commission to promote a New Zealand lottery for any charitable purpose that the Minister thinks fit.

30 “86. **General powers**—(1) In addition to any other powers provided in this Act, the Commission shall have all such powers as are necessary or expedient to enable it to perform and exercise its functions and duties.

“(2) Without limiting the generality of **subsection (1)** of this section, the Commission may—

35 “(a) Enter into an arrangement, agreement, or contract with any person or body corporate or department of State to assist the Commission by doing any act or thing as is necessary for, or incidental to, the promotion, organisation, or conduct of New
40 Zealand lotteries:

“(b) Purchase, lease, hire, or otherwise acquire any land, buildings, plant, machinery, equipment, or other

real or personal property for the purposes of this Part of this Act:

“(c) Sell, lease, hire out, or otherwise dispose of or make charges for the use of its property.

“87. **Commission to have regard to Government policy**—(1) In the performance and exercise of its powers and functions, the Commission shall have regard to the general policy of the Government in relation to New Zealand lotteries and shall comply with any written direction given to it by the Minister relating to that policy. 5 10

“(2) As soon as practicable after giving a direction under subsection (1) of this section, the Minister shall publish a copy of it in the *Gazette* and lay a copy of it before the House of Representatives.

“88. **Certain powers conferred on other bodies**—For the purposes of enabling the Commission to enter under section 86 (2) (a) of this Act into an arrangement, agreement, or contract with any body corporate constituted by or under any other Act to exercise particular functions or powers, that body corporate is hereby authorised, in so far as it is not authorised under any other Act, to do or suffer to be done any act or thing necessary for or incidental to assist in the promotion, organisation, or conduct of New Zealand lotteries. 15 20

“89. **Accounts of bodies assisting Commission and audit**—(1) Where any person, body corporate, or department of State has entered into an arrangement, agreement, or contract pursuant to section 86 (2) (a) of this Act— 25

“(a) To do anything as an agent of the Commission; or

“(b) To act in any other manner on behalf of the Commission,— 30

in the promotion, organisation, or conduct of any New Zealand lottery, that person, body corporate, or department of State shall keep full and true accounts of everything done by him or her or it relating to all such lotteries in such manner and form as are approved by the Commission. 35

“(2) Every such person, body corporate, or department of State shall,—

“(a) As soon as practicable after the end of each financial year; or

“(b) After the termination of any such arrangement, agreement, or contract, whichever occurs first,— 40
prepare a statement of account of his or her or its activities on behalf of the Commission during the year or during the period

ended on the date of the termination (as the case may be) and shall submit the statement to the Commission.

“**(3)** For the purposes of **subsection (2)** of this section, the term ‘financial year’ shall be the period from the 1st day of April in
5 any calendar year to the 31st day of March in the succeeding calendar year.

“**(4)** Every statement prepared under **subsection (2)** of this section shall be audited by the Audit Office which, for that purpose, shall have and may exercise all such powers as it has
10 under the Public Finance Act 1977 in respect of public money and stores.

“**90. Lottery rules**—(1) The Commission may make rules, approved by the Minister, and not inconsistent with this Act, for or with respect to the conduct and operation of New
15 Zealand lotteries or any type of New Zealand lotteries.

“**(2)** Any rule made pursuant to **subsection (1)** of this section shall—

“**(a)** Be notified in the *Gazette*; and

“**(b)** Take effect on and from the date of notification or a
20 later date specified in the rule.

“**(3)** Any rules approved by the Minister under **subsection (1)** of this section shall be deemed to be regulations for the purposes of the Regulations Act 1936.

“**91. Delegation of functions and powers**—(1) The
25 Commission may from time to time, in respect of a specified matter or class of matters and subject to such conditions and restrictions as it thinks fit, by writing delegate any of its functions or powers to any committee, member, or officer of the Commission.

“**(2)** The Commission shall keep at the Commission’s office a
30 copy of every instrument by which a delegation under **subsection (1)** of this section is effected, and shall permit any person to inspect that instrument.

“**(3)** Notwithstanding **subsection (1)** of this section, the
35 Commission shall not delegate the following powers:

“**(a)** The power of delegation conferred by that subsection;
or

“**(b)** Any power to borrow money conferred by **section 109** of this Act; or

“**(c)** The power to make, alter, or rescind rules conferred by
40 **section 90** or **section 92** of this Act.

“**(4)** Any delegation under this section to a person may be made to—

“(a) A specified person; or

“(b) A person of a specified class; or

“(c) The holder for the time being of a specified office or appointment; or

“(d) The holders for the time being of offices or appointments of a specified class. 5

“(5) Subject to any general or special directions given or conditions or restrictions imposed by the Commission, the committee or person to whom any functions or powers are delegated may perform and exercise them in the same manner and with the same effect as if they had been conferred directly by this Act and not by delegation. 10

“(6) Where the Commission or any delegate of the Commission uses a written document to inform any other person of action taken by a delegate of the Commission, that written document— 15

“(a) Shall state that the action was taken by a delegate of the Commission; and

“(b) Shall give the delegate’s name and office; and

“(c) Shall inform that other person that a copy of the instrument of delegation may be inspected at the office of the Commission. 20

“(7) Every delegation under this section shall be revocable at will, but any such revocation shall not take effect until it has been communicated to the delegate. 25

“(8) A delegation under this section shall not prevent the performance or exercise of any function or power by the Commission.

“(9) Until any such delegation is revoked, it shall continue in force according to its tenor notwithstanding any change in the membership of the Commission or of any committee. 30

“92. **Power to make procedural rules**—(1) The Commission may from time to time, by resolution, make, alter, and rescind rules not inconsistent with this Act for all or any of the following purposes: 35

“(a) Prescribing the procedure to be followed at any meeting of the Commission or of any committee of the Commission:

“(b) Providing for the custody of its property and the custody and use of its common seal: 40

“(c) Prescribing the duties of the officers and employees of the Commission:

“(d) Providing for such other matters as may be reasonably necessary or expedient for duly performing and

exercising and carrying out its functions and powers.

“(2) Notice of every resolution proposed to be submitted to any meeting for the making, amendment, or revocation of any such rules shall be given to every member of the Commission for the time being in New Zealand not less than 14 clear days before the day fixed for the meeting.

“93. **Employees of Commission**—(1) The Commission may, from time to time,—

10 “(a) Employ such employees as are necessary for the efficient performance and exercise of its functions and powers, including the promotion, organisation, and conduct of any New Zealand lottery by the Commission under **section 83 (a)** of this Act; and

15 “(b) Engage under contract for services any person who, in its opinion, possesses particular knowledge or training or is otherwise able to provide special assistance to the Commission in connection with the performance and exercise of its functions and powers.

20 “(2) The Commission may from time to time pay to its employees, out of its funds, such salaries, wages, and allowances as the Commission thinks appropriate, within scales fixed by it after consultation with the State Services Commission.

25 “(3) The Commission may from time to time determine, after consultation with the State Services Commission, the terms and conditions of service on which employees of the Commission shall be employed.

30 “(4) The Commission may, for the purpose of providing superannuation or retiring allowances for its employees, subsidise out of its funds any scheme under the National Provident Fund Act 1950 containing provision for employer subsidy or any other employer subsidised scheme approved by the Minister of Finance for the purposes of this section.

35 “(5) No person shall be deemed to be employed in the service of Her Majesty for the purposes of the State Services Act 1962 or the Government Superannuation Fund Act 1956 by reasons of his or her employment or engagement by the Commission under **subsection (1)** of this section.

40 “(6) Notwithstanding anything in this Act, any person who, immediately before becoming an employee of the Commission, is a contributor to the Government Superannuation Fund under Part II or Part IIA of the

Government Superannuation Fund Act 1956 shall be deemed, for the purposes of that Act, to be employed in the Government service so long as he or she continues to be an employee of the Commission; and that Act shall apply to the person in all respects as if service as such an employee were Government service. For the purposes of the Government Superannuation Fund Act 1956, the controlling authority in relation to any such person shall be the Commission. 5

“(7) Subject to the Government Superannuation Fund Act 1956, nothing in **subsection (6)** of this section shall entitle any person to whom that subsection applies to become a contributor to the Government Superannuation Fund after ceasing to be a contributor to that fund. 10

“Operation of New Zealand Lotteries

“**94. Lottery proceeds**—(1) Every selling agent of tickets in a New Zealand lottery shall, at such times as the Commission determines, pay the proceeds that he or she accrues from the sale of tickets in that lottery into such account opened under **section 107** of this Act as the Commission directs. 15

“(2) Notwithstanding **subsection (1)** of this section, any such selling agent may, as authorised by the Commission from time to time, deduct certain money from any lottery proceeds accrued by that agent. 20

“(3) Subject to **subsection (4)** of this section, the Commission shall keep any such proceeds in such account until the proceeds are dealt with under **section 99** of this Act. 25

“(4) The Commission may, up to that time, invest the proceeds in any securities in which trust funds may be invested by trustees in accordance with the Trustee Act 1956 or in accordance with any other statutory authority or in such other manner as the Commission, with the approval of the Minister, may determine. 30

“(5) Any interest accruing from such investment and any proceeds of the realisation of the investment shall be paid into the said account and shall be deemed to be part of the lottery proceeds on which the interest or realisation was accrued. 35

“**95. Method of drawing**—Every New Zealand lottery shall be drawn in such a manner and under such conditions as the Commission from time to time determines.

“**96. Scrutiny of drawings**—At every draw of a New Zealand lottery one or more officers of the Department and a person appointed by the Audit Office shall— 40

“(a) Exercise such scrutiny over equipment used in connection with the drawing as will ensure the security and proper operation thereof; and

5 “(b) Scrutinise the drawing and accuracy of the announced results.

“97. **Drawings to be open to public**—(1) The drawing of every New Zealand lottery shall be open to the public.

“(2) Notwithstanding **subsection (1)** of this section, where it is broadcast in the form of a television programme, the drawing
10 need not be open to the public.

“(3) The time and place, or in the case of any drawing that is to be broadcast, the time and station, of the drawing shall be publicly notified or announced by the Commission in such a manner as it thinks fit.

15 “98. **Official result**—(1) An officer of the Department and the person appointed by the Audit Office under whose scrutiny any New Zealand lottery is drawn shall, immediately after the drawing, supply to the Commission a certified statement setting out the result of the drawing of the lottery.

20 “(2) That statement shall be deemed to be the official result of the drawing and shall be publicly notified or announced by the Commission in such manner as it thinks fit.

“99. **Banking of profits**—(1) The Commission shall, as soon as possible after the sale of tickets closes, ascertain the amount
25 of proceeds accrued from the sale of tickets in that lottery.

“(2) After ascertaining the amount of proceeds for any lottery, the Commission shall, subject to **subsection (3)** of this section, pay that amount less—

30 “(a) The amount of the prize fund set, pursuant to any rules made under **section 90** of this Act, in respect of that lottery; and

“(b) All reasonable expenses incurred or expected to be incurred in conducting the lottery; and

35 “(c) All money authorised by the Minister from time to time to be retained for the purposes of the Commission; and

“(d) All duties and taxes payable in respect of the lottery,—into such account opened under **section 116U** of this Act as the Secretary directs.

40 “(3) Where the Commission ascertains the amount of the proceeds accrued from the sale of tickets in a lottery before the drawing of that lottery, the Commission need not make any

payment under **subsection (2)** of this section until after the drawing.

“(4) All money paid into any such account as directed by the Secretary shall be deemed for the purposes of this Part of this Act to be profits of the lottery, and shall be dealt with 5 accordingly.

“100. **Statements as to lotteries drawn**—The Commission shall, whenever required to do so by the Secretary, furnish to the Secretary—

“(a) Statements, returns, and accounts with respect to any 10 New Zealand lottery drawn; and

“(b) Statements of account relating to the operation of the Commission,—

in such manner and form as the Secretary requests.

“101. **Lottery prize fund**—(1) All the money constituting 15 the prize fund of a New Zealand lottery shall be paid into an account opened under **section 107** of this Act, for the purposes of this section.

“(2) After the deposit of such money from any New Zealand lottery, the Commission shall pay out of such account the 20 prizes set, in accordance with any rules made under **section 90** of this Act, for that type of lottery.

“(3) The Commission may invest any money kept in such account that is not immediately required for the payment of prizes, in any securities in which trust funds may be invested 25 by trustees in accordance with the Trustee Act 1956 or in accordance with any other statutory authority or in such other manner as the Commission, with the approval of the Minister, may determine.

“(4) Any interest accruing from such investment and any proceeds of the realisation of the investment shall be paid into 30 that account and shall form, in accordance with any rules made under **section 90** of this Act, a prize pool for any lottery conducted at a later date.

“(5) Subject to **subsection (3)** of this section, the money kept in 35 such account may be applied only towards the payment of prizes in New Zealand lotteries.

“102. **Entitlement to prizes**—(1) The Commission shall pay the prizes of every New Zealand lottery to those participants entitled to such prizes in accordance with the official result of 40 the drawing of that New Zealand lottery.

“(2) If, after the drawing of a lottery, no entitlement exists to a prize offered in that lottery, the amount of the prize shall be

retained in the account of the Commission, opened for the purposes of **section 101** of this Act, and shall be dealt with in accordance with any rules made under **section 90** of this Act.

5 **“103. Claims to lottery prizes—**(1) Every participant entitled to a lottery prize may, in accordance with any rules made pursuant to **section 90** of this Act, be required to submit evidence of his or her entitlement to that prize to the Commission or, if so provided in such rules, to any selling agent of the Commission.

10 **“(2)** The Commission, or as the case may be, the selling agent of the Commission shall, if satisfied that that participant is entitled to such a prize, pay the participant the amount of the prize out of the money constituting the prize fund for the lottery.

15 **“(3)** No claim submitted to the Commission under **subsection (1)** of this section shall be recognised if made after 12 months from the drawing of the lottery to which it relates.

20 **“(4)** Notwithstanding **section 105** of this Act, in any case where the Commission is not satisfied that that participant is entitled to such a prize, the Commission shall retain the amount of the prize in the account opened for the purposes of **section 101** of this Act, until the question of entitlement is resolved.

25 **“(5)** If it is determined that entitlement exists, the Commission shall pay the amount of the prize in accordance with that determination.

30 **“(6)** If it is determined that no entitlement exists, the Commission shall deal with the amount of the prize, in accordance with **section 105** of this Act, as if it were an unclaimed prize.

“104. No entitlement to interest—No person shall be entitled to the payment of interest in respect of a prize in a New Zealand lottery unless the Commission had no reasonable grounds for—

35 **“(a)** Questioning entitlement to that prize:

“(b) Withholding payment of that prize.

40 **“105. Unclaimed prizes—**(1) If any prize in a New Zealand lottery is not claimed within 12 months from the drawing of that lottery, the Commission shall, where it is so provided in any rules made under **section 90** of this Act, retain the prize in the account opened for the purposes of **section 101** of this Act, and it shall form in accordance with the said rules, a prize pool for any lottery conducted at a later date.

“(2) Notwithstanding **subsection (1)** of this section, if there is no such rule, the Commission shall pay at the expiration of that period of 12 months, the amount of the prize from that account into such account opened under **section 116u** of this Act as the Secretary directs.

5

“(3) Where a lottery prize is paid into another account under **subsection (2)** of this section, the amount of the prize shall be dealt with as if it were part of the undistributed profits of New Zealand lotteries.

“Financial Provisions Relating to Commission

10

“106. **Funds of Commission**—The funds of the Commission shall consist of—

“(a) All lottery proceeds set aside for expenses incurred in conducting that lottery and for the purposes of the Commission under **section 99 (2) (b) and (c)** of this Act: 15

“(b) All money advanced or made available to the Commission under **section 116w** of this Act:

“(c) All money received by the Commission by way of fees, rent, or otherwise in respect of any real or personal property vested in or controlled by the Commission 20 or in respect of the performance or exercise of any of the functions or powers of the Commission:

“(d) All money received by the Commission from the sale or other disposal of any of its real or personal property: 25

“(e) All accumulations of income derived from any such money.

“107. **Bank accounts**—(1) The Commission shall open at any bank or banks such accounts as are necessary for the performance and exercise of its functions and powers. 30

“(2) All money belonging to the Commission shall be paid into the appropriate account as the Commission from time to time determines, as soon as practicable after its receipt by the Commission or by an employee of the Commission.

“(3) No money shall be paid out of any bank account of the Commission except with the authority, and in accordance with any general or special directions, of the Commission. 35

“(4) A bank account of the Commission may only be operated on by cheque or other instrument signed by an officer of the Commission authorised by the Commission to sign cheques or other instruments drawn on that account, and countersigned by a member of the Commission or other 40

person authorised by the Commission to countersign such cheques or other instruments.

“108. **Estimates of income and expenditure**—(1) The Commission shall before the 1st day of March in each financial
5 year prepare and submit to the Minister an estimate of the income and expenditure of the Commission for the next financial year.

“(2) Every such estimate shall be approved by the Minister, either as submitted by the Commission or after it has been
10 amended by the Commission in such manner as the Minister may require.

“(3) All expenditure by the Commission in any financial year shall be in accordance with the estimate for that year unless the Minister expressly approves otherwise.

15 “109. **Borrowing powers**—(1) The Commission may, from time to time, borrow money from any bank by way of overdraft or in accordance with **section 116w** of this Act.

“(2) Without prejudice to **subsection (1)** of this section, the Commission, with the prior written approval of the Minister,
20 may borrow money by way of mortgage, debentures, bonds, or otherwise, and may mortgage or charge any of its real or personal property, whether present or future, in such manner as it thinks fit.

“110. **Loans**—The Commission may—

25 “(a) Make advances, with or without security, at such rates of interest as it determines or free of interest; and

“(b) Guarantee, with or without security, advances made by any person—

30 to any person or body corporate for the purpose of assisting in the promotion, organisation, and conduct of New Zealand lotteries or for such other purposes as the Minister approves.

“111. **Investment of funds**—The Commission may invest any of its funds in any securities in which trust funds may be invested by trustees in accordance with the Trustee Act 1956
35 or in accordance with any other statutory authority or in such other manner as the Commission, with the approval of the Minister, may determine.

“112. **Exemption from income tax and land tax**—The Commission shall be exempt from the payment of income tax
40 and land tax.

“113. **Financial year**—The financial year of the Commission shall end with the 31st day of March of each successive calendar year.

“114. **Accounts and audit**—(1) The Commission shall—

“(a) Keep full and true accounts of all its financial transactions, assets, liabilities, and funds; and 5

“(b) Keep full and true accounts of all its financial transactions relating to the proceeds from the sale of tickets—

“(i) In New Zealand lotteries; and 10

“(ii) Every special purpose lottery promoted under **section 85** of this Act,—

in such manner and form as are approved by the Minister.

“(2) As soon as practicable after the end of each financial year the Commission shall cause to be prepared and submitted to the Audit Office a full and true statement of account of all its income and expenditure in that year and of its assets and liabilities at the end of that year. 15

“(3) The statements shall be audited by the Audit Office which, for that purpose, shall have and may exercise all such powers as it has under the Public Finance Act 1977 in respect of public money and stores. 20

“115. **Annual report**—(1) The Commission shall, as soon as practicable after the end of each financial year, deliver to the Minister a report of its proceedings and operations during that year, together with a copy of its duly audited accounts for that year and the report of the Audit Office on those accounts. 25

“(2) A copy of the annual report and of the accounts of the Commission, together with a copy of the report of the Audit Office on the accounts, shall be laid before the House of Representatives as soon as practicable after their receipt by the Minister. 30

“116. **Protection of name**—(1) No body shall be incorporated or registered, under any enactment or in any other manner,— 35

“(a) Under the name ‘New Zealand Lotteries Commission’; or

“(b) Under any other name that so resembles the name of the Commission as to be likely to mislead any person. 40

“(2) No person other than the Commission shall, either alone or with any other person or persons,—

“(a) Trade or carry on business under the name ‘New Zealand Lotteries Commission’; or

5 “(b) Trade or carry on business under any other name, knowing that the name so resembles the name of the Commission as to be likely to mislead any person.

“(3) Any person who contravenes **subsection (2)** of this section commits an offence and is liable on summary conviction to a fine not exceeding \$2,000 and, in the case of a continuing
10 offence, to a further fine not exceeding \$200 for every day or part of a day during which the offence continued.

“(4) In any criminal proceedings in which a person is charged with having contravened **subsection (2)** of this section, it shall be a defence to the charge if that person proves that,
15 either alone or with any other person or persons, that person has carried on business continuously under the name to which the charge relates since any date before the **1st day of November 1986**.

“(5) The Third Schedule to the Flags, Emblems, and Names Protection Act 1981 is hereby amended by adding the
20 following item:

‘The Gaming and Lotteries New Zealand Lotteries
Act 1977: **section 116** Commission’.

“New Zealand Lottery Board

25 “116A. **New Zealand Lottery Board**—(1) For the purposes of this Part of this Act there shall be a Board, to be called the New Zealand Lottery Board.

“(2) The Board shall consist of—

30 “(a) The Minister, who shall be the presiding member of the Board:

“(b) The Prime Minister:

“(c) The Member of the House of Representatives who is for the time being Leader of the Official Opposition:

35 “(d) Three persons to be appointed by the Governor-General.

“(3) The powers of the Board shall not be affected by any vacancy in its membership, or by any deficiency in the appointment of any member.

40 “116B. **Terms of office of appointed members**—(1) Every member of the Board appointed under **section 116A (2) (d)** of this Act shall be appointed for a term not exceeding 3 years, as the

Governor-General may specify in that member's instrument of appointment, and may from time to time be reappointed.

"(2) Unless any such member sooner vacates office under **section 116c** of this Act, he or she shall continue in office until that member's successor is appointed, notwithstanding that the term for which the member was appointed may have expired. 5

"**116C. Extraordinary vacancies**—(1) Any appointed member of the Board may at any time be removed from office by the Governor-General for disability, bankruptcy, neglect of duty, or misconduct proved to the satisfaction of the Governor-General. 10

"(2) Any such member may resign his or her office by notice in writing to the Governor-General.

"(3) When the office of any appointed member of the Board becomes vacant by death, resignation, or removal from office, the vacancy so created shall, as soon as practicable, be filled in the manner in which the appointment to the vacant office was originally made. 15

"(4) Every person so appointed shall hold office for the residue of the term for which that person's predecessor would have held office if the vacancy had not occurred. 20

"**116D. Prime Minister and Leader of Opposition may appoint deputies**—(1) In any case where the Prime Minister, or the Leader of the Official Opposition, is unable to attend any meeting of the Board, he or she may appoint any Member of Parliament to attend that meeting in his or her stead. 25

"(2) Any person appointed under **subsection (1)** of this section shall be deemed for all purposes to be a member of the Board while attending any meeting of the Board. 30

"(3) No appointment of any such person under this section and no acts done by that person and no act done by the Board while that person is acting as a member, shall in any proceedings be questioned on the ground that the occasion of the person's appointment had not arisen or had ceased. 35

"**116E. Meetings of Board**—(1) Meetings of the Board shall be held at such times and places as the Board may from time to time appoint.

"(2) A special meeting of the Board may at any time be convened by the presiding member, and the presiding member shall call a special meeting whenever requested to do so in writing by not less than 2 members of the Board. 40

“(3) Not less than 7 clear days’ notice in writing of each meeting, and of the business to be transacted at the meeting, shall be given to each member for the time being present in New Zealand.

5 “(4) At any meeting of the Board the quorum shall be 4 members.

“(5) The presiding member shall preside at every meeting of the Board at which that member is present.

10 “(6) In the absence of the presiding member from any meeting, the members present shall elect one of their number to preside at that meeting.

“(7) Every question arising at any meeting of the Board shall be decided by a majority of votes of the members present and voting on it.

15 “(8) On each question before a meeting, the member who is presiding shall have a deliberative vote, and in the case of an equality of votes he or she shall also have a casting vote.

20 “(9) A resolution in writing signed, or assented to in writing by letter or telegram or telex message, or other method of communication, by every member who is for the time being in New Zealand (not in any event being less than the number required for a quorum at a meeting) shall have the same effect as a resolution passed at a meeting of the Board.

25 “(10) Subject to this Part of this Act, the Board may regulate its procedure in such a manner as it thinks fit.

“116F. **Functions of Board**—(1) The general functions of the Board shall be to determine the proportions in which the profits of New Zealand lotteries shall be allocated for distribution in accordance with this Part of this Act.

30 “(2) In addition to any other powers provided in this Act, the Board shall have all such powers as are necessary or expedient to enable it to perform its functions.

“116G. **Allocations by Board**—(1) The Board may, from time to time, require the Secretary to prepare, and forward to 35 the Board, a statement showing—

“(a) The amount of profits arising from New Zealand lotteries and in hand at the date of the statement:

40 “(b) An estimate of the amount of profits arising from New Zealand lotteries expected to be derived during the period specified by the Board:

“(c) An estimate of any costs of administration payable under this Part of this Act during that period.

“(2) The Board, after considering any statement forwarded to it under **subsection (1)** of this section, shall notify each Distribution Committee in writing of the amount that will be available for distribution by that Committee during the period referred to in the notification.

5

“(3) The Board shall also from time to time notify the Minister of any amount allocated for distribution under **section 116i** of this Act.

“(4) A copy of every notification under this section shall be forwarded by the Secretary of the Board to the Secretary for Internal Affairs.

“(5) Any determination of the Board under this section or under **section 116i** of this Act may from time to time, by a subsequent resolution, be varied or revoked, and the Board shall notify each Distribution Committee concerned or, as the case may be, the Minister, of the subsequent resolution.

“Distribution of Profits of Lotteries

“116H. **Distribution of profits**—(1) The profits of New Zealand lotteries shall, in accordance with the determinations of the Distribution Committees, be distributed for charitable purposes and, except as otherwise provided by this Act, for no other purpose.

“(2) Notwithstanding any of the foregoing provisions of this section, where the Minister instructs the Commission to promote and conduct a New Zealand lottery for a particular purpose under **section 85** of this Act, the profits of that lottery shall be expended for that purpose.

“116i. **Distributions by Minister**—The Board may from time to time allocate from profits of New Zealand lotteries a specified sum of money for distribution by the Minister for purposes referred to in **section 116H (1)** of this Act but not allocated for distribution under **section 116G (2)** of this Act, and the Minister may, in accordance with this Part of this Act, distribute any such sum accordingly.

“116j. **Allocation of profits to certain statutory bodies**— (1) The Board may from time to time, allocate from profits of New Zealand lotteries a specified sum of money for expenditure by each of the following bodies:

“(a) The Queen Elizabeth the Second Arts Council of New Zealand established under the Queen Elizabeth the Second Arts Council of New Zealand Act 1974:

40

“(b) The New Zealand Film Commission established under the New Zealand Film Commission Act 1978:

“(c) The New Zealand Recreation and Sport Commission established under the **Recreation and Sport Act 1986**,—
5 in accordance with the Act establishing the body concerned.

“(2) Where any sum is allocated to a body specified by this section, the Board shall notify the Secretary and that body accordingly, and on receipt of the notification the Secretary shall cause the amount referred to therein to be paid to that
10 body at such intervals as the Board may from time to time determine.

“*Distribution Committees*

“116K. **Distribution Committees**—(1) For the purposes of this Part of this Act, there shall be appointed, by notice in the
15 *Gazette*, such number of Distribution Committees as the Minister thinks fit.

“(2) Each Distribution Committee shall consist of such number of persons (being not less than 3 nor more than 5) as the Minister thinks fit.

20 “(3) Without limiting the generality of **subsection (1)** of this section, a Distribution Committee may be appointed in respect of the distribution of profits of New Zealand lotteries for any of the following purposes:

“(a) The welfare of aged persons:

25 “(b) The provision of social amenities and the promotion of social welfare:

“(c) The provision of community facilities:

“(d) The encouragement of beneficial activities by young people:

30 “(e) The promotion of medical research:

“(f) The promotion of scientific research:

“(g) General charitable purposes.

“(4) The Minister may, from time to time, vary the purposes in respect of which any Distribution Committee has been
35 appointed or revoke the appointment of any such Distribution Committee.

“(5) The members of each Distribution Committee shall be appointed by the Minister, and a member of each Committee shall be appointed as a presiding member.

40 “(6) The powers of the Distribution Committee shall not be affected by any vacancy in its membership, or by any deficiency in the appointment of any member.

“116L. Terms of office of members of Distribution Committees—(1) Every member of a Distribution Committee shall be appointed for a term not exceeding 3 years, as the Minister may specify in that member’s instrument of appointment, and may from time to time be reappointed. 5

“(2) Unless any such member sooner vacates office under **section 116M** of this Act, he or she shall continue in office until that member’s successor is appointed, notwithstanding that the term for which the member was appointed may have expired. 10

“116M. Extraordinary vacancies—(1) Any member of a Distribution Committee may at any time be removed from office by the Minister for disability, bankruptcy, neglect of duty, or misconduct, proved to the satisfaction of the Minister.

“(2) Any such member may resign his or her office by notice 15 in writing to the Minister.

“(3) When the office of any appointed member of a Distribution Committee becomes vacant by death, resignation, or removal from office, the vacancy so created shall as soon as practicable be filled in the manner in which the appointment 20 to the vacant office was originally made.

“(4) Every person so appointed shall hold office for the residue of the term for which that person’s predecessor would have held office if the vacancy had not occurred.

“116N. Meetings of Distribution Committees— 25
(1) Meetings of a Distribution Committee shall be held at such times and places as the Committee may from time to time appoint.

“(2) A special meeting of a Distribution Committee may at any time be convened by the presiding member, and the 30 presiding member shall call a special meeting whenever requested to do so in writing by not less than 2 members of the Committee.

“(3) Not less than 7 clear days’ notice in writing of each meeting, and of the business to be transacted at the meeting, 35 shall be given to each member for the time being present in New Zealand.

“(4) At any meeting of a Distribution Committee the quorum shall be a number of members not less than half of the membership of the Committee. 40

“(5) The presiding member shall preside at every meeting of a Distribution Committee at which that member is present.

“(6) In the absence of the presiding member from any meeting, the members present shall elect one of their number to preside at the meeting.

5 “(7) Every question arising at any meeting of a Distribution Committee shall be decided by a majority of votes of the members present and voting on it.

“(8) On each question before a meeting, the member who is presiding shall have a deliberative vote, and, in the case of an equality of votes, he or she shall also have a casting vote.

10 “(9) A resolution signed, or assented to in writing by letter or telegram or telex message, or other method of communication, by every member of a Distribution Committee who is for the time being in New Zealand (not in any event being less than the number required for a quorum
15 at a meeting) shall have the same effect as a resolution passed at a meeting of the Committee.

“(10) Subject to this Part of this Act, the Committee may regulate its procedure in such manner as it thinks fit.

20 “116O. **Functions of Distribution Committees**—(1) The functions of each Distribution Committee shall be—

“(a) To approve for distribution in accordance with this Part of this Act such of the undistributed profits of New Zealand lotteries as are available to it for distribution:

25 “(b) To exercise such other functions as may be conferred on it by this Part of this Act or as may be prescribed by regulations made under this Act.

30 “(2) In the exercise of its functions and powers, every Distribution Committee shall have regard to the general policy of the Board with respect to the distribution of profits of New Zealand lotteries, and shall comply with any general directions of the Board in respect of that policy.

35 “116P. **Distribution Committees may delegate functions**—(1) Notwithstanding section 116O of this Act, any Distribution Committee may appoint any person or persons (whether or not a member or members of the Committee) to be a subcommittee, and may delegate, in writing, to such subcommittee its power to determine any application or class of applications made under section 116O of this Act.

40 “(2) Subject to any general or special directions given or conditions or restrictions imposed by the Distribution Committee, the subcommittee to which such power is delegated may perform and exercise it in the same manner

and with the same effect as if it had been conferred directly by this Act and not by delegation.

“(3) Every subcommittee purporting to act under any delegation under this section shall, in the absence of proof to the contrary, be presumed to be acting within the terms of the delegation. 5

“(4) Every delegation under this section shall be revocable at will.

“(5) A delegation under this section shall not prevent the performance or exercise of any such power by the Distribution Committee. 10

“(6) Until any such delegation is revoked, it shall continue in force according to its tenor notwithstanding any change in the membership of the Distribution Committee.

“**116Q. Applications for assistance**—(1) Every application for assistance from profits of lotteries shall be forwarded to the Secretary of the Board or other appropriate officers who shall refer each qualifying application to the appropriate Distribution Committee or, if there is no appropriate Distribution Committee, to the Minister. 15 20

“(2) On receipt of any application under **subsection (1)** of this section, the Distribution Committee or, as the case may be, the Minister, having regard to the amount available for distribution and to all relevant matters, shall determine—

“(a) Whether or not the application should be granted; and 25

“(b) If so, the amount that should be granted—
and shall notify the Secretary of any such determination.

“(3) Any grant by a Distribution Committee or the Minister may be subject to such terms and conditions (not inconsistent with this Act) as the Committee or, as the case may be, the Minister, thinks fit. 30

“(4) The Minister or, as the case may be, the Distribution Committee, may from time to time vary or cancel any terms or conditions attached to any grant under **subsection (3)** of this section, or attach any new terms and conditions to that grant. 35

“**116R. Payments of grants**—On receipt of any determination of a Distribution Committee or of the Minister under **section 116Q** of this Act approving a grant, the Secretary shall cause the amount of the grant to be paid in accordance with the terms of the approval, and shall notify the person to whom the grant is made of any terms or conditions attached to the grant, including any terms and conditions subsequently attached to the grant under **section 116Q (4)** of this Act. 40

“116s. **Subsidies and loans**—(1) Subject to any general directions of or any specific restrictions imposed by the Board, any Distribution Committee may, in addition to approving a grant under **section 116a** of this Act, approve—

5 “(a) The payment of subsidies; or

“ (b) The making of loans, with or without security and at such rates of interest or free of interest as the Committee determines, to local authorities within the meaning of the Local Authorities Loans Act 10 1956 or to organisations of a kind approved from time to time by the Board, subject, in the case of loans to any such local authorities, to the provisions of that Act; or

15 “(c) The variation, cancellation, or discharge of any subsidy or loan previously approved under this subsection, or the increase of the amount of any such subsidy or loan.

“ (2) The Secretary, on being notified of any approval under **subsection (1)** of this section, shall, in accordance with the terms 20 of the approval—

“ (a) Pay any subsidy referred to in the approval:

“ (b) Make any loan referred to in the approval:

“ (c) Do any other thing necessary to give effect to the approval.

25 “ (3) Any approval under this section may be made subject to such terms and conditions as the Distribution Committee thinks fit.

“ (4) For the purposes of this section, any Distribution Committee may establish any endowment or create any trust 30 upon such terms and conditions and having such objects as the Committee thinks fit, and may appoint trustees thereof.

“ (5) All interest paid in respect of loans made under this section and money received in repayment of any such loans 35 shall be deemed to be profits arising from New Zealand lotteries, and shall be dealt with accordingly.

“116T. **Secretary to be a corporation sole for certain purposes**—(1) For the purposes of **section 116s (2)** of this Act, the Secretary, where he or she is acting on behalf of any Distribution Committee, is hereby incorporated as a 40 corporation sole with perpetual succession and a seal of office.

“ (2) The corporation shall be capable of suing and being sued, and, for the purposes of **section 116s (2)** of this Act, it may acquire, hold, and dispose of real and personal property and

do and suffer all such acts and things as a body corporate may do and suffer.

“(3) The seal of the corporation shall not be affixed to any instrument or document except in the presence of the Secretary or an officer of the Department for the time being authorised by the Secretary for the purpose of this section, who shall attest by his or her signature the fact and date of the affixing of the seal. 5

“(4) All Courts and persons acting judicially—

“(a) Shall take judicial notice of the seal of the corporation that has been affixed to any instrument or document; and 10

“(b) Shall, until the contrary is proved, presume that the seal was properly affixed.

“*Financial and Administrative Provisions Relating to Board and Distribution Committees* 15

“116u. **Bank accounts**—(1) For the purposes of this Part of this Act, the Secretary shall open at any bank one or more accounts under such names as the Secretary thinks fit.

“(2) Each such account shall be operated on only by cheque signed by any 2 officers of the Department authorised from time to time by the Secretary for that purpose. 20

“116v. **Investment of money**—(1) Subject to any directions of the Board, the Secretary may invest any profits of New Zealand lotteries, pending their distribution under **section 116H** of this Act, in any securities in which trust funds may be invested by trustees in accordance with the Trustee Act 1956 or in accordance with any other statutory authority or in such other manner as the Secretary, with the approval of the Board, may determine. 25 30

“(2) Any interest accruing from such investment and any proceeds of the realisation of the investment shall be deemed to be profits arising from New Zealand lotteries and shall be dealt with accordingly.

“116w. **Loans to Commission**—(1) Notwithstanding **section 116v** of this Act, the Board may from time to time authorise the Secretary to advance any profits of New Zealand lotteries, pending their distribution under **section 116H** of this Act, to the Commission to enable or assist the Commission to perform and exercise its functions and powers under this Part of this Act. 35 40

“(2) Any such advance may be made by the Secretary, with or without security, at such rates of interest as the Board determines.

“(3) The Board may guarantee, with or without security, 5 advances made to the Commission by any other person pursuant to **section 109** of this Act.

“(4) Any money required to be paid by the Secretary by virtue of any guarantee given by the Board under **subsection (3)** of this section, shall be paid by the Secretary out of the 10 undistributed profits of New Zealand lotteries.

“116x. **Miscellaneous expenditure**—There may from time to time be paid out of the undistributed profits of New Zealand lotteries such amounts as the Minister approves—

“(a) For any purposes in connection with the management, 15 investment, and distribution of profits of New Zealand lotteries:

“(b) For any research or investigation relating to New Zealand lotteries and other gaming activities:

“(c) For the dissemination of information relating to the 20 distribution of profits of New Zealand lotteries:

“(d) For the administration of this Act.

“116y. **Accounts of profits and audit**—(1) The Secretary shall—

“(a) Keep full and true accounts with respect to the profits of 25 New Zealand lotteries generally; and

“(b) Keep full and true accounts with respect to the profits of every special purpose lottery conducted pursuant to **section 85** of this Act.

“(2) As soon as practicable after the end of each financial 30 year the Secretary shall cause to be prepared and submitted to the Audit Office full and true accounts with respect to the profits of New Zealand lotteries and every special lottery for that year.

“(3) Those accounts shall be audited by the Audit Office 35 which, for that purpose, shall have and may exercise all such powers as it has under the Public Finance Act 1977 in respect of public money and stores.

“(4) After the audit, the Secretary shall forward a copy of the audited accounts to the Board.

40 “116z. **Reports and accounts to be laid before House of Representatives**—(1) The Board shall, as soon as practicable after the end of each financial year, deliver to the Minister a report of its operations and the operations of each Distribution

Committee during that year, together with a copy of the duly audited accounts of the Secretary and the report of the Audit Office on those accounts.

“(2) A copy of every such report and of the accounts of the Secretary, together with a copy of the report of the Audit Office on the accounts, shall be laid before the House of Representatives as soon as practicable after their receipt by the Minister. 5

“116ZA. **Appointment of officers**—(1) There shall from time to time be appointed under the State Services Act 1962, a secretary of the Board, and such other officers as may be required to assist the Minister, the Board, the Distribution Committees, and the Secretary for Internal Affairs for the purposes of this Part of this Act. 10

“(2) Any such office may be held separately or in conjunction with any other office in the Public Service. 15

“116ZB. **Remuneration of members of Board and Distribution Committees**—(1) There may, if the Minister so directs, be paid out of the undistributed profits of New Zealand lotteries to— 20

“(a) Any appointed member of the Board; and

“(b) Any member of a Distribution Committee or subcommittee—

such remuneration by way of fees, salary, or allowances as may from time to time be approved by the Minister. 25

“(2) The Board and every Distribution Committee and subcommittee are hereby declared to be statutory Boards within the meaning of the Fees and Travelling Allowances Act 1951.

“(3) There shall be paid out of the undistributed profits of New Zealand lotteries, to any such member, travelling allowances or expenses in accordance with the Fees and Travelling Allowances Act 1951, and the provisions of that Act shall apply accordingly. 30

“116ZC. **Members not personally liable**—No member of the Board or a Distribution Committee or subcommittee shall be personally liable for any act or default done or made by the Board or the Distribution Committee or subcommittee in good faith in the course of its operations. 35

“Miscellaneous Provisions

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“116ZD. **Offences**—Every person commits an offence and is liable on summary conviction to a fine not exceeding \$1,000

who not being a selling agent authorised pursuant to **section 86** of this Act, sells or offers for sale any ticket in any New Zealand lottery.”

(2) The following enactments are hereby consequentially
5 repealed:

- (a) The Gaming and Lotteries Amendment Act 1980;
- (b) The Gaming and Lotteries Amendment Act 1982;
- (c) The Gaming and Lotteries Amendment Act 1983.

4. Transfer of property—All equipment acquired, under
10 section 106 of the principal Act (as in force before the commencement of this Act) or under section 35 of the Gaming Amendment Act 1962, for drawing New Zealand lotteries shall, on the date of the commencement of this Act, be vested in the New Zealand Lotteries Commission.

5. Application of new Part VII to profits of former lotteries—Part VII of the principal Act (as substituted by this Act) shall apply with respect to—

- (a) All profits undistributed at the commencement of this Act
20 derived from any New Zealand lottery conducted under Part VII of the principal Act (as in force before the commencement of this Act), drawn before the commencement of this Act; and
- (b) All profits derived from any such lottery promoted
25 before the passing of this Act and drawn after the commencement of this Act; and
- (c) All unclaimed prizes in any such lotteries—
as if those lotteries had been promoted under that Part (as so substituted).

6. Transitional provisions relating to organiser—

30 (1) Subject to **subsections (2) and (3)** of this section, any person—

- (a) Appointed as an organiser of any lottery under section 74
of the principal Act (as in force before the commencement of this Act); and
- (b) Whose appointment is subsisting at the date of the
35 commencement of this Act—

shall be deemed to have been authorised by the New Zealand Lotteries Commission to conduct on its behalf that type of New Zealand lottery for which the organiser was appointed to conduct under the said section 74.

40 (2) That authorisation shall be in accordance with the provisions of the said section 74 and any conditions made under subsection (1) of that section.

(3) Every such authorisation shall expire on the date on which the appointment to which it relates would have expired had this Act not been passed.

(4) Notwithstanding any such authorisation and any conditions attached to that authorisation, every organiser appointed under section 74 of the principal Act (as in force before the commencement of this Act) shall conduct every New Zealand lottery, for which he or she is responsible, in accordance with—

(a) Part VII of the principal Act (as substituted by **section 3 (1)** of this Act) and any lottery rules made under that Part; and

(b) Any directions in writing by the New Zealand Lotteries Commission relating to the conduct of lotteries.

(5) Notwithstanding **subsection (4)** of this section and any conditions attached to any such authorisation, the organiser shall pay the proceeds from the sale of tickets in every New Zealand lottery that he or she conducts to the New Zealand Lotteries Commission.

7. Transitional provisions relating to Lottery Board and Distribution Committees—(1) The New Zealand Lottery Board established under **section 116A** of the principal Act (as inserted by **section 3 (1)** of this Act) shall be deemed to be the same Board as that existing under the name of the New Zealand Lottery Board established under section 85 of the principal Act (as in force before the commencement of this Act).

(2) Every person who was appointed to the said Board existing before the commencement of this Act and whose appointment is subsisting at the date of the commencement of this Act shall be deemed to have been so appointed to the New Zealand Lottery Board pursuant to **section 116A (2) (d)** of the principal Act (as inserted by **section 3 (1)** of this Act), except that his or her term of office shall expire on the date on which it would have expired had this Act not been passed.

(3) Every—

(a) Distribution Committee appointed under section 96 of the principal Act (as in force before the commencement of this Act); and

(b) Subcommittee appointed under section 100A (1) of the principal Act (as in force before the commencement of this Act),—

and in existence at the date of the commencement of this Act shall be deemed to have been so appointed under **section 116k** or **section 116p** of the principal Act (as inserted by **section 3 (1)** of this Act) respectively.

5 (4) Every person who was appointed to a said Distribution Committee or subcommittee existing before the commencement of this Act and whose appointment is subsisting at that date, shall be deemed to have been so appointed under **section 116k** or **section 116p** of the principal Act
10 (as so inserted) respectively, except that every such person's term of office shall expire on the date on which it would have expired had this Act not been passed.

(5) Every person who was appointed to any office under section 110 of the principal Act (as in force before the
15 commencement of this Act) and whose appointment is subsisting at the date of the commencement of this Act shall be deemed to have been so appointed under **section 116za** of the principal Act (as inserted by **section 3 (1)** of this Act).

8. Act not to apply to Totalisator Agency Board, etc.—

20 The principal Act is hereby amended by repealing section 137, and substituting the following section:

“137. Except as provided in **Part VII** of this Act, this Act does not apply to the Totalisator Agency Board or any member, employee, or agent of the Board, or to the holder of a
25 totalisator licence, a restricted totalisator licence or an equalisator licence, or any member, employee, or agent of the holder of such a licence, acting in its or his or her official capacity.”

9. Amendments to Gaming Duties Act 1971—(1) Section

30 3 of the Gaming Duties Act 1971 is hereby amended by repealing the definition of the term “lottery” (as substituted by section 142 (5) of the principal Act), and substituting the following definition:

35 “‘Lottery’ means a New Zealand lottery or a New Zealand prize competition promoted under Part VII of the Gaming and Lotteries Act 1977.”

(2) Section 3 of the said Act is hereby further amended by repealing the definition of the term “organiser”, and substituting the following definition:

40 “‘Organiser’, in relation to a lottery, means the New Zealand Lotteries Commission established by **section 72** of the Gaming and Lotteries Act 1977; and

includes any person conducting a lottery on its behalf.”.

(3) Section 142 (5) of the principal Act is hereby consequentially repealed.

10. Amendments to Goods and Services Tax Act 1985— 5

(1) Section 5 (11) of the Goods and Services Tax Act 1985 is hereby amended—

(a) By omitting from paragraph (a) the terms “New Zealand lottery” and “New Zealand prize competition”:

(b) By inserting after paragraph (a), the following paragraph: 10

“(aa) The terms ‘New Zealand lottery’ and ‘New Zealand prize competition’ have the same meanings as defined in **section 71** of the Gaming and Lotteries Act 1977:”.

(c) By repealing paragraph (d), and substituting the following 15 paragraph:

“(d) The term ‘organiser’ means the New Zealand Lotteries Commission established by **section 72** of the Gaming and Lotteries Act 1977.”. 20

(2) Section 10 (15) of the said Act is hereby amended—

(a) By omitting from paragraph (a) the terms “New Zealand lottery” and “New Zealand prize competition”:

(b) By inserting, after paragraph (a), the following paragraph:

“(aa) The terms ‘New Zealand lottery’ and ‘New 25 Zealand prize competition’ have the same meanings as defined in **section 71** of the Gaming and Lotteries Act 1977:”.

11. Amendment to Ombudsmen Act 1975—Part II of the First Schedule to the Ombudsmen Act 1975 is hereby 30 amended by inserting, in its appropriate alphabetical order, the following item:

“The New Zealand Lotteries Commission.”